

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

Illinois Commerce Commission	:	
On Its Own Motion	:	
	:	14-NOI-01
Notice of Inquiry regarding retail	:	
electric market issues	:	

NOTICE OF INQUIRY

I. Background

Beginning in 2011, alternative retail electric suppliers (“ARES”) started marketing retail electric service to residential customers. As of July 2014, 51 certified ARES have residential customers in Illinois. While the majority of Illinois’ residential ARES customers are part of a government aggregation program pursuant to Section 1-92 of the Illinois Power Agency Act, 20 ILCS 3855/1-92, only 12 of the 51 ARES with residential customers were serving customers in aggregation programs as of May 2014. As the residential retail electric market continues to evolve, the Illinois Commerce Commission (“Commission”) is interested in exploring retail market issues that have been experienced thus far. As described in detail in Section IV, below, the Commission is interested in issues involving the disclosure of variable rate offers and the marketing of “green” or “renewable” offers. The Citizens Utility Board (“CUB”) and the City of Chicago, on June 11, 2014, filed a petition to investigate compliance with Section 16-115A of the Public Utilities Act in Docket No. 14-0422. In addition, the Commission is interested in feedback on proposals to create definitions for “fixed” and “variable” rate offers as well as additional ways to enhance consumer education. Accordingly, the

Commission initiates this Notice of Inquiry ("NOI") as a vehicle for gathering information and opinions that may form the basis for action by the Commission on these matters.

II. Applicable Law - NOI

The Commission's rules with respect to NOIs are found in 2 Ill. Adm. Code 1700, Subpart D. Section 1700.330 states that NOIs will contain, in part, a disclaimer that:

the Notice of Inquiry proceeding is not a rulemaking, but that information gathered may or may not form the basis for the initiation of rulemaking or for other purposes at a later date.

2 Ill. Adm. Code § 1700.330.

III. NOI Manager

Section 1700.310 of the Commission's NOI rules requires the designation of an NOI Manager to conduct discussions as are necessary to address the issues raised in the Commission's directive for an NOI. The NOI Manager in this case will be Torsten Clausen, Director of the Commission's Office of Retail Market Development ("ORMD").

For correspondence, please note:

Mailing Address:

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IV. Issues of this NOI

Interested persons and entities are requested to respond to the following questions and issues:

Variable Rate Offers

1. What type of disclosure requirements do you believe are necessary for variable rate offers to ensure consumers understand that the rate fluctuates?
2. Should the Commission adopt a requirement that the supplier provide the customer with a formula or method by which the variable rate is determined?
3. Should the Commission adopt a requirement that a residential variable rate has to be tied to a publicly available index/benchmark?
4. Should the Commission adopt additional notice requirements for variable rate changes?
5. Should the Commission require suppliers to set and disclose a maximum rate for each residential variable rate offer?
6. Should sales of variable rate offers be prohibited from implying future savings unless the basis for such implied savings is provided?
7. Should the Commission require suppliers to provide its customers with readily available access to rates, including historical rates and current rates, as well as imminent changes to the rates?

Renewable or “Green” Energy Offers

1. Should the Commission define residential marketing terms such as “green” and “renewable” offers? If so, what should form the basis of such definitions?
2. Should a “% renewable” column be added to the supplier offer matrix found on PlugInIllinois.org? If so, is the addition of such a column dependent on a Commission definition of “renewable energy”?

Defining Fixed and Variable Rates

1. Should the Commission define “fixed” and “variable” rates? If so, how should such definitions impact the supplier offer matrix on PlugInIllinois.org?
2. If you favor a Commission definition of “fixed” and “variable” rates, please provide and explain your proposed definitions.
3. Should the Commission adopt additional customer disclosure requirements for “fixed” offers that contain change-of-law contract clauses?
4. Should the Commission adopt additional customer disclosure requirements for “fixed” offers that contain change-of-supplier-cost contract clauses?
5. Should the Commission adopt additional customer disclosure requirements for “fixed” offers that contain other non-fixed rate components?

Price-To-Compare

1. Should the Commission specify how a supplier has to portray the utility Price-to-Compare?
2. Should the Commission require a uniform method of price comparison based on usage intervals?

Consumer Education

1. Do you recommend changes and/or supplements to the Commission’s retail electric education website, PlugInIllinois.org?
2. Do you propose additional ways to increase traffic to PlugInIllinois.org?

3. Should the Commission Staff create a website and/or document with all laws and regulations relevant to retail electric suppliers in Illinois?
4. Should the Commission Staff hold periodic workshops to discuss existing rules?
5. Should utilities be required to display the supplier logo on a utility-consolidated bill?
6. Should suppliers be required to post their residential offers on PlugInIllinois.org?

Cancellation/Rescission

1. Should a customer be entitled to the previous rate if she cancels the contract within a set number of days of being notified of the new rate?
2. Should the Commission change the rescission period for customers with a smart meter? If so, what should the new rescission period be?

V. Form and Content of Documents Distributed in this NOI

Pursuant to Section 1700.350 of the Commission's NOI rules:

- a) An original and three copies of all comments, reply comments, and other documents should be submitted to the Chief Clerk on or before the date stated in the Notice of Inquiry. The distribution of such copies will be as follows:
 - 1) Chief Clerk — Springfield
 - 2) Chief Clerk — Chicago Office
 - 3) Office of Retail Market Development — Chicago
[successor to PAR Division for purposes of this NOI]
- b) Copies of all documents filed in the proceeding will be available for public inspection at the Chief Clerk's office in Springfield and the Commission's Chicago office.
- c) A copy of the list of participants may be acquired from the NOI Manager.

The NOI Manager will take steps to ensure that copies of all documents filed in the proceeding are posted to the Commission's web site, www.icc.illinois.gov. Toward that end, in addition to providing comments and other documents as set forth above on the basis of the Commission's rule, interested persons and entities are requested to

send such comments and other documents in electronic form (preferably Adobe .pdf) to tcclausen@icc.illinois.gov.

VI. Schedule

The schedule for this NOI shall be as follows, unless altered by the NOI Manager with adequate public notice provided:

Submission of initial comments (pursuant to 2 Ill. Adm. Code 1700.340 (b)):

November 6, 2014

Submission of reply comments (pursuant to 2 Ill. Adm. Code 1700.340 (c)):

November 25, 2014

The Commission anticipates that additional rounds of comments might be of benefit and therefore authorizes the NOI Manager to schedule further rounds, with adequate public notice provided, if he believes that additional comments would be helpful.

Participants are encouraged by the Commission to share their data and other information pertinent to the issues to be addressed in this NOI with other participants, if requested.

Initiated this 30th day of September, 2014.

(SIGNED) DOUGLAS P. SCOTT

Chairman